

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 10/31/2002

	As of <u>10-31-02</u>	As of <u>6-30-02</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,101,951,466	\$ 1,172,921,967
INTERNATIONAL EQUITIES	449,425,241	519,746,145
DOMESTIC FIXED INCOME	1,153,665,209	1,194,301,653
INTERNATIONAL FIXED INCOME	118,329,524	130,429,525
REAL ESTATE POOL	165,037,211	163,084,870
VENTURE CAPITAL	96,776,953	72,539,116
INVESTED CASH (NOTE 1)	<u>46,146,055</u>	<u>66,676,990</u>
 TOTAL INVESTMENTS	 3,131,331,659	 3,319,700,266
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	15,569,663	16,125,917
CONTRIBUTIONS/ASSESSMENTS REC	4,601,582	5,783,737
MISCELLANEOUS RECEIVABLES	<u>1,964</u>	<u>76,372</u>
 TOTAL RECEIVABLES	 20,173,209	 21,986,026
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	6,734,572	7,366,262
DUE FROM OTHER AGENCIES (NOTE 3)	50,415	22,148
FIXED ASSETS (NET) (NOTE 4)	<u>6,003</u>	<u>6,003</u>
 TOTAL ASSETS	 <u><u>\$ 3,158,295,858</u></u>	 <u><u>\$ 3,349,080,705</u></u>
 LIABILITIES:		
ACCOUNTS PAYABLE	2,320,036	2,571,642
ACCRUED EXPENSES	207,104	343,095
DUE TO OTHER AGENCIES (NOTE 5)	<u>50,414</u>	<u>22,148</u>
 TOTAL LIABILITIES	 2,577,554	 2,936,885
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,346,332,984	3,546,640,539
CASH IN DURING YEAR (NOTE 6)	103,347,953	291,500,004
CASH OUT DURING YEAR (NOTE 7)	88,658,000	260,459,909
NET INCREASE (DECREASE)	<u>(205,304,633)</u>	<u>(231,347,650)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>3,155,718,304</u>	 <u>3,346,332,984</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u><u>\$ 3,158,295,858</u></u>	 <u><u>\$ 3,349,269,869</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 10/31/2002

	Month Ended <u>10-31-02</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 11,727,996	\$ 43,014,374
SECURITIES LENDING INCOME	<u>438,645</u>	<u>1,758,146</u>
	12,166,641	44,772,520
 GAIN ON SALE OF INVESTMENTS	 57,544,756	 181,866,150
LOSS ON SALE OF INVESTMENTS	<u>52,892,646</u>	<u>262,700,573</u>
 NET GAINS (LOSSES) INVESTMENTS	 4,652,110	 (80,834,423)
 INVESTMENT EXPENSES	 362,026	 2,892,972
SECURITIES LENDING EXPENSES	<u>394,028</u>	<u>1,506,736</u>
 NET INVESTMENT INCOME	 16,062,697	 (40,461,611)
 NET APPREC (DEPREC) MARKET VALUE	 69,777,528	 (156,854,046)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(241,913)</u>	<u>4,355,415</u>
 TOTAL INVESTMENT INCOME	 85,598,312	 (192,960,242)
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,066,681	 12,082,121
PURCHASED SERVICE CREDIT (NOTE 9)	150,904	803,428
PENALTY & INTEREST (NOTE 10)	<u>(241)</u>	<u>(241)</u>
 TOTAL ADDITIONS	 <u>90,815,656</u>	 <u>(180,074,934)</u>
 DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,014,533	24,067,515
REFUNDS TO MEMBER (NOTE 12)	<u>188,744</u>	<u>721,268</u>
 TOTAL BENEFITS PAID	 6,203,277	 24,788,783
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	68,776	277,741
OPERATING EXPENSES	56,101	163,175
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>124,877</u>	 <u>440,916</u>
 TOTAL DEDUCTIONS	 <u>6,328,154</u>	 <u>25,229,699</u>
 NET INCREASE (DECREASE)	 <u>\$ 84,487,502</u>	 <u>\$ (205,304,633)</u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
October 31, 2002

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
10/31/2002

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.